

BUIDHEANN TIGHEADAS LOCH AILLSE AGUS AN
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LOCHALSH AND SKYE HOUSING ASSOCIATION

STATEMENT OF FACTORING SERVICES



**Lochalsh
& Skye
Housing
Association**

CONTENTS

- 1. Written Statement of Factoring Services**
- 2. Communication and Consultation**
- 3. Financial and Charging Arrangements**
- 4. Debt Recovery**
- 5. Insurances**
- 6. Reporting Common Repairs**
- 7. Complaints Resolution**
- 8. General**

1. Written Statement of Factoring Services

These are the terms and conditions for the provision of a Factoring Service to sharing owners and owner occupiers (hereafter referred to as "Owners") by Lochalsh and Skye Housing Association (hereafter referred to as "the Association"). We are registered under the Industrial and Provident Societies Acts and are also a Registered Social Landlord under the Housing (Scotland) Act 2001. We are a Registered Scottish Charity and our registered office is at Morrison House, Bayfield, Portree, Isle of Skye, IV51 9EW.

The Association is registered under the Property Factors (Scotland) Act 2011 and as such is bound by the terms of the statutory Code of Conduct for Property Factors.

A. Authority to Act

The Association is the Property Factor acting for and on behalf of all owners within the block of flats or development of properties of which your property forms part. The Association was appointed to act as Property Factor in accordance with the provisions of either:

- your title deeds, in particular your Deed of Conditions, allowing the Association to do so while it continues to own a property in your development; or
- the majority of owners in your development have appointed the Association to act as factor; or
- the Association has been operating as the factor by custom and practice.

B. Services Provided

Core Services

The Association will provide the core services to external parts and internal **Common Parts** as further described at Section 3 in accordance with the following fees and charges :

- **Management Fee**
Costs incurred by the Association in managing inspections, maintenance and repairs within the block of flats or development of properties. Inspections are carried out at least once every month.
- **Service Charge**
Cost of insurance to play parks (where provided) which includes insurance inspections by Zurich Municipal (our Insurers) and Third Party Liability cover. Equipped play parks are inspected weekly.
- **Ground Maintenance Charge**
Costs incurred for grass cutting and maintenance of shrubs and trees.

The Services do not apply to internal repairs required to individual dwellings that remain the responsibility of the individual owner.

Delegated Authority

The Association has the delegated authority of the owners within the block or development to instruct and carry out, at reasonable costs, repairs and maintenance to the common parts of the block or development being factored. The Association may also instruct works which, in the Association's opinion, are required in an emergency or on the grounds of Health and Safety. These costs will be apportioned in accordance with the terms in your Deed of Conditions.

Additional Services

The Association may, at its discretion, provide services outwith the core services set out if it is requested and authorised by all the owners within the block/development to do so. The cost of such works will be agreed by all of the sharing owners and owner occupiers within the block/development prior to the work being carried out. The work costs will be apportioned in accordance with the terms in your Deed of Conditions.

2. Communication and Consultation

It is important to the Association that owners are satisfied with the Factoring Service that the Association provides. We actively encourage feedback from owners.

In line with our Customer Services Charter, we are committed to:

- treating everyone fairly, equally and sensitively
- being courteous, friendly and efficient
- being as open, informative and accessible as possible whilst respecting confidentiality
- striving to improve our service standards by reviewing them regularly and using feedback from our customers
- monitoring our performance against our targets and publishing the results

We will ensure that:

- our staff maintain a professional manner at all times
- we use plain and clear language
- we listen carefully and provide clear and accurate information
- all data we hold about you is secure, accurate and up to date
- where requested, we will attempt to provide information and publications in other languages or formats, e.g. large print

Visitors:

- our offices will be open from 9.00 am to 5.00 pm, Monday to Friday and any variations will be publicised
- our staff will wear name badges
- visitors with an appointment will be seen promptly at the arranged time

- visitors without an appointment will be seen within 10 minutes of their arrival by a member of staff who will either deal with their enquiry or arrange a further appointment within 5 working days
- we will provide a meeting room to discuss personal or confidential matters
- if requested, we will arrange to meet our customers in their homes or places of work where this is practicable and cost effective

If we visit you:

- we will arrange an appointment in advance, if appropriate
- we will provide you with our identification before entering the property
- we will let you know of any information we may need before we visit
- we will give you as much notice as possible if an appointment has to be changed or cancelled

Phone:

- our telephone system will be open from 9.00 am to 5.00 pm, Monday to Friday. Outside these hours, and on public holidays, you can leave messages on our answering system
- we will answer reception calls within 5 rings and staff will tell you their names. Incoming calls on direct lines, or diverted calls from reception, will normally be answered within 5 rings but where staff are not available, their calls will be answered by colleagues or voice-mail which may take slightly longer
- we will return all telephone calls and answerphone messages promptly and no later than the end of the following working day, unless we have told you otherwise

Correspondence:

- we will deal with letters, emails and faxes promptly and respond in no more than 5 working days. If the matter is urgent we will respond within 24 hours
- if we cannot respond within these timescales, we will acknowledge your correspondence and give you a date by which we expect to give you a more detailed response
- we will clearly date and sign all correspondence with our name and job title
- when out of the office or absent from work, we will send an automatic out-of-office message acknowledgement to emails

Website:

- we will provide a wide range of useful information on the work of the Association, our services and our performance on our website
- we will update the website regularly and make sure it contains information in an easy and flexible way for you to use
- we will include useful links to partner organisations from whom you can obtain additional advice and information

Meetings:

- we will attend any general meetings called by the owners (or any committee or steering group) to discuss and/or respond to matters relating to the property factor's service

3. Financial and Charging Arrangements

Management Fee, Service and Ground Maintenance Charges

The Management Fee, Service Charge and Ground Maintenance Charge are the charges for managing the block of flats or the development of properties of which your property forms part. This includes, but is not restricted to:

- Arranging maintenance and repair of the block/development common parts
- Liaising with contractors and tendering for the best service and price
- Arranging buildings insurance for the owners within the block and providing adequate details to allow owners to make claims
- Administrative costs relating to annual statements, invoicing, letters, newsletters and notes of meetings.
- Providing credit control to ensure that everyone is invoiced for their respective share of costs
- Working together with solicitors to recover outstanding debts on behalf of the sharing owners and owner occupiers within the block/development.
- Liaising with energy suppliers to make sure all charges are accurate and fair
- Making payment of energy invoices and recovering the cost from the owners within the block/development for common supplies

If a matter is unduly complex, the Association may charge an additional fee in relation to that matter, provided the same is reasonable and in accordance with the amount of time spent by the Association in dealing with the matter in question.

An additional sum will be payable should additional services be required by the owners within the block or development, the amount of which will be set out when agreeing the additional services to be provided.

Allocation of Costs

You are responsible along with the other owners in the block or development for a share of the cost of the maintenance and repairs carried out in relation to the block or development. Your share will be charged in accordance with your title deeds, in particular your Deed of Conditions, or where appropriate the Tenements (Scotland) Act 2004 or Title Conditions (Scotland) Act 2003.

Each owner within the block/development is responsible for a share of the cost of the following:-

- **Repairs to and Maintenance of the Common Parts**
Maintaining, repairing, decorating, lighting, heating cleaning, renewing, reinstating and rebuilding the common parts of the building/development, including grounds maintenance, and that irrespective of the cause of damage or destruction necessitating such repair, renewal, reinstatement or rebuilding

- **Repairs to Plant**
Repair and maintenance of Plant - inspecting, maintaining in good working order, repairing, overhauling, replacing, renewing, monitoring and operating the plant and equipment available for use in common by the owners of the building including the cost of provision for renewal and replacement of the same and the full costs of repair and maintenance staff and the maintenance of any maintenance/service contracts that the Association consider necessary
- **Professional Fees**
The proper and reasonable fees and charges of the Association and the proper and reasonable fees and charges of any professional adviser employed outwith Core Services
- **Other Outgoings**
All charges, assessments and outgoings for water, electricity, fuel, telephone and public or statutory utilities payable in respect of the common parts of the building of which your property forms part.
- **Signs**
The provision, inspection, maintenance, repair, overhaul, replacement and renewal of signs in or upon the building or wider area where the buildings form part of a wider development
- **Security**
The provision of such security equipment and apparatus for the building as the Association shall think fit and proper to employ and/or use and in the provision, maintenance, replacement and renewal of such security equipment from time to time
- **Fire Fighting Equipment etc.**
Expenditure incurred in providing, servicing and monitoring fire fighting equipment, appliances (including fire alarm sprinkler systems, smoke detectors and smoke control devices) and any other signs or other notices required by the local Fire Officer and/or insurers (and the cost of repair, maintenance and renewal of the same).
- **VAT**
Value Added Tax at the applicable rate in respect of any item of expenditure herein mentioned.

Sinking Fund

Where the titles to the development provide for a sinking fund, each owner will contribute to this sinking fund each month in accordance with the provisions of the title. The level of contribution will be agreed with the owners within the block or development of which your property forms part annually and confirmed to you by the Association in writing.

Payment

You can pay your invoice by the following methods;-

- Direct debit
- Bank transfer
- By cheque made payable to the Association
- At our office

Change of Ownership

Each owner shall notify the Association of any changes in ownership of their property. On receipt of notification of such sale the Association will arrange to apportion the charges and sums due by the owner for the period to the date of sale.

Private Letting

If an owner privately lets their property, be it a residential property or a commercial one, the Association will pursue the owner for payment and not the tenant as any factoring debt is due and payable by the owner of the property and not the tenant.

Money Advice

If you are having difficulty meeting your factoring costs the Association will be able to direct you to organisations that can provide you with money advice.

4. Debt Recovery

The Association will seek to tackle arrears recovery at the earliest opportunity. We are committed to effective debt recovery which will be based on a consistent approach to each case.

Owners will be charged for factoring services annually in arrears. In addition to this, individual invoices may be issued separately for additional works as and when required. All charges will be due for payment within the Association's payment terms which is 28 days from the date of issue.

If payment is not forthcoming within 28 days of the date of issue of the invoice, the following escalation process will proceed:

A first reminder letter will be sent to the address, which will;

- Clearly state the outstanding balance and urgent need of settlement
- Advise of potential consequences of non-payment
- Invite contact to establish reasons for non-payment

If an owner refuses, or delays, payment for a further period of 14 days, a second reminder letter will be sent. This letter will contain the same information as the first reminder letter.

If no contact has been established and no payment has been received after a further 7 days, a third final reminder will be sent to the factored owner. The letter will contain the same information as the first reminder letter and will inform that if payment is not received, the Association will proceed with legal action in order to recover sums due.

The Association will take further recovery action if a factored owner:

- fails to make full payment of arrears within 7 days of being served with the final reminder letter, or
- fails to make contact with the Association within 3 days of being served with the final reminder letter.

Once a recovery action commences, legal costs will accumulate and all such accrued costs will be added to the debt owed by the factored owner. Factored owners faced with legal action will be warned that it can add a significant amount to the principal sum owed.

The Association, may, register a Notice of Potential Liability for Costs over the property setting out that a debt is due. This may affect/restrict the factored owners' ability to sell their property.

Once decree is granted, if full payment (inclusive of legal costs) is still not forthcoming, either by one-off payment or by means of an agreed repayment arrangement, Sheriff Officers will be called upon to carry out debt enforcement action. This may include:

- Freezing of Bank Accounts
- Attachment (non-essential goods out with the home) or Exceptional Attachment (non-essential goods inside the dwelling house) Orders
- Arrestment of wages
- Notification under The Tenements (Scotland) Act 2004 (advises of sale of property and allows debt to be transferred to new owner)
- Inhibition on property (debt secured on property, prevents raising of equity on property).
- Sequestration
- Any other legal means to ensure recovery

The Association will be entitled to apply interest at 4% above the Bank of England base rate per annum from the date the arrears on the factoring account arise through to the date of full settlement.

5. Insurances

The Association is responsible for ensuring that the buildings of which a dwelling forms part are adequately insured (for example a sharing owner's flat) including all necessary Public Liability Insurance. This will take the form of the Association arranging cover for the whole building and any common parts.

The insurance arranged by the Association shall be the amount of insurance cover which has been determined by Zurich Municipal, our insurance provider. The Association shall have no further responsibility in relation to the insurance of the building or any parts thereof, for example garden sheds.

The Association also arranges for public liability insurance in respect of

common parts of the block or development and for acts of negligence which leads to Third Party injury or property damage in, for example, equipped play areas.

The premium applicable to your property is calculated as set out in your annual Factoring Fees invoice. Any changes to the insurance cover/premium etc. will be communicated to you in writing on an annual basis.

If a claim requires to be made against the building insurance each owner shall contact the Association who will provide adequate details in order for the owner to make the claim. **The Association will not submit insurance claims on behalf of owners.** Any decision on whether or not a claim is settled is the responsibility of the insurance company, and not the Association.

Contents Insurance is the responsibility of the owner.

6. Reporting Common Repairs

As factors, the Association sets a high standard of maintenance and repairs. Repairs procedures have been developed to ensure that repairs are carried out to a satisfactory standard, in as cost effective a manner as possible and within a timescale which causes the minimum inconvenience and nuisance to residents as is reasonable in the circumstances.

Each owner occupier will assist the Association by reporting any repairs through the following:-

- Phoning us on **01478 612035** which also diverts to our Emergency Response Provider in the case of emergencies outwith normal working hours
- Calling into our offices or writing to us at **Morrison House, Bayfield, Portree, Isle of Skye IV51 9EW**
- E-mailing us at **info@lsha.co.uk**
- Our website **www.lsha.co.uk** under "Report a Repair".

When you report a repair please give as much information as possible. If the repair is less straightforward, a member of staff from the Association may need to visit to ascertain the exact nature and extent of repair required.

If the required repair is straightforward the Association will pass the information directly to one of the Association's approved contractors or one of our Property Services tradesmen and they will carry out the works.

If you are concerned about how long a repair is taking, or if a repair is not carried out to your satisfaction, please contact the Association.

Out of Hours Service

The 'Out of Hours' service operated by the Association is intended for use in the event of **Emergency Repairs only** and operates on the basis of 'making safe' rather than a full repair provision.

Emergency Repairs are repairs which, in the opinion of the Association or its agents, if not attended to would seriously affect the property structure or security or constitute a danger to health or safety, for example wind damage to roofs or chimneys. The service is subject always to health and safety considerations in stormy weather or dangerous conditions.

7. Complaints Resolution

Complaints or disputes regarding the service provided by the Association in terms of this Agreement will be dealt with in accordance with the Association's Complaints Handling Procedures– full details are available from the Association on request.

The following deadlines apply to cases at the investigation stage:

- complaints will be acknowledged within three working days
- we will provide a full response to the complaint as soon as possible but not later than 20 working days from the time we received the complaint for investigation.

Any owner who is not happy with either the outcome of the way the complaint or dispute has been handled may take their case to the Homeowner Housing Panel, as follows:

Homeowner Housing Panel
Europa Building
450 Argyle Street
Glasgow
G2 8LH

Telephone: 0141 242 0175
Fax: 0141 242 0141
Email: hohpadmin@scotland.gsi.gov.uk

The Association and Owners will be bound by the findings of the Homeowner Housing Panel.

8. General

Publication of Information

Please note that the Property Factors Act requires that the Association provides information to the Scottish Government on the properties to which they provide

factoring services. This will result in certain information being published and available to the public subject to the requirements of the Data Protection Act.

Voting

For the purpose of instructing the Association on factoring matters, each owner in the block or development shall have one vote for each property owned by him/her and which is occupied by him/her or is separately occupied by his/her tenant or is unoccupied. If the title deeds/Deed of Conditions for the block or development allocates votes on the matter of factoring or maintenance or repairs in a different matter, those provisions shall prevail and shall be adhered to by the Association in carrying out the factoring, provided an owner or owners provide the relevant title information to the Association.

Where a property is owned by more than one person and the owners cannot agree that vote is disregarded.

How to End the Factoring Arrangement

The appointment of the Association as factor may be terminated on the instructions of the number of owners in the block or development as detailed in your title deeds, in particular your Deed of Conditions or by a majority of the owners in the block or development, or by the Association itself, in each case upon giving not less than three months' prior notice in writing.
